

**Licensing of Sports Agents -- Maryland Rules.**

**SPORTS AGENT LICENSING LAW AND REGULATIONS**

**STATE OF MARYLAND  
DEPARTMENT OF LICENSING AND REGULATION**

ARTICLE 56, SECTION 632  
ANNOTATED CODE OF MARYLAND  
SPORTS AGENTS

**Section 632. Definitions.**

- (a) In general. -- In this subtitle the following words have the meanings indicated.
- (b) Agent contract. -- "Agent contract" means a contract or agreement under which an athlete authorizes a sports agent to negotiate on behalf of the athlete with 1 or more professional sports teams for the employment of the athlete.
- (c) Athlete. -- "Athlete" means an individual who:
- (1) Resides in the State; and
  - (2) (i) Is or has been a member of a sports team of an institution of higher education located in the State that is part of a national association for the regulation of intercollegiate athletics; or
  - (ii) Is or has been a member of a sports team of a high school in the state.
- (d) Financial services contract. -- "Financial services contract" means a contract or agreement under which an athlete authorizes a sports agent to provide financial services for the athlete, including the making and execution of investments and other financial decisions by the agent on behalf of the athlete.
- (e) Person. -- "Person" means an individual, receiver, trustee, guardian, personal representative, fiduciary, or representative of any kind and any partnership, firm, association, corporation, or other entity.
- (f) Sports agent. -- "Sports agent" means a person who directly or indirectly recruits or solicits an athlete to enter into an agent contract or financial services contract with that person for a fee, or attempts to obtain employment for an athlete with a professional sports team for a fee. (1988, ch. 695.)

**Section 633. Licenses -- In general.**

- (a) Required. -- A sports agent shall obtain a license from the Secretary before contacting an athlete, either directly or indirectly, while the athlete is located in the State.
- (b) Application. -- An applicant for a license as a sports agent shall submit a written application to the Secretary on a form that the Secretary provides, which shall include the following information:

(1) The name of the applicant and the address of the applicant's principal place of business;

(2) The business or occupation engaged in by the applicant for 5 years immediately preceding the date of application;

(3) A description of the applicant's formal training, practical experience, and educational background relating to the applicant's professional activity as a sports agent; and

(4) (i) The names and addresses of all persons, except bona fide employees on fixed salaries, who are financially interested as partners, associates, or profit shares in the operation of the business of the sports agent; or

(ii) If the applicant for a license or renewal of a license is a member of the State Bar of Maryland, the names and addresses of those persons involved in the activities of the sports agent and not those persons who are financially interested as members of a law firm or professional corporation.

(c) Corporations, associations or partnerships. -- (1) If the applicant is a corporation, the information required under subsection (b) of this section shall be provided by each officer of the corporation.

(2) If the applicant is an association or partnership, the information required under subsection (b) of this section shall be provided by each associate or partner.

(d) Term. -- A license issued under this act is valid for 1 year from the date of issuance.

(e) Renewal. -- (1) A licensed sports agent may renew a license by filing a renewal application in the form prescribed by the Secretary, accompanied by the renewal fee.

(2) The renewal application shall contain the information required by the Secretary, including:

(i) The name and address of each athlete for whom the sports agent is providing professional services for compensation at the time of renewal; and

(ii) The name and address of each athlete not represented currently by the sports agent for whom the sports agent has performed professional services for compensation during the 3 years preceding the date of application.

(3) Except with the permission of the athlete, the Secretary may not disclose to any person the athlete's address.

(f) Fees. -- (1) The Secretary shall set fees required for the administration of this subtitle in amounts reasonable and necessary.

(2) The Secretary shall pay all money collected under this subtitle into the General Fund of the State.

(g) Regulations. -- The Secretary shall adopt regulations necessary to carry out this subtitle. (1988, ch. 695.)

**Section 634. Same -- Suspension or revocation.**

The Secretary may suspend or revoke a license issued under this subtitle after the Secretary has given the holder of a license notice of the contemplated action and the opportunity for a hearing. (1988, ch. 695.)

**Section 635. Contracts and agreements.**

(a) In general. -- (1) A sports agent shall file with the Secretary a copy of each agent contract and financial services contract entered into with an athlete.

(2) The contract shall include a schedule of fees that the sports agent charges and collects from an athlete, and a description of the professional services to be rendered in return for each fee.

(3) The sports agent shall impose charges only in accordance with the fee schedule.

(4) A change in a fee schedule shall become effective 7 days after the date on which a copy of the revised contract is filed with the Secretary.

(5) Except with the permission of the athlete, the Secretary may not disclose the athlete's agent contract or financial services contract.

(b) Limitation on fees. -- If a sports agent negotiates a contract for an athlete's professional sports services, the sports agent may not collect in a 12-month period a fee for the sports agent's services that exceeds the amount that the athlete will receive in the same 12-month period.

(c) Filing with athletic director. -- The sports agent shall file an additional copy of the contract with the athletic director of the athlete's institution or high school not later than 5 days after the date on which the athlete signs the contract.

(d) Cancellation. -- (1) An athlete may cancel an agent contract or financial services contract within 15 days after the date on which the athlete signs the contract by notifying the sports agent of the cancellation in writing.

(2) The sports agent shall refund any consideration paid to the sports agent on the athlete's behalf. (1988, ch. 695.)

**Section 636. Advertising; restrictions.**

(a) Advertising. -- A sports agent shall disclose the agent's name and address in all forms of advertising.

(b) Prohibited activities. -- A sports agent may not:

(1) Publish or cause to be published any false, fraudulent, or misleading information, representation, notice, or advertisement or give any false promise or representation concerning employment;

(2) Divide a fee with or receive compensation from a professional sports league or franchise or its representative or employee;

(3) Enter an agreement, written or oral, by which the sports agent offers anything of value to an employee of an institution of higher education or a high school in the state in return for referral of potential clients by the employee;

(4) Offer anything of value, except reasonable entertainment expenses and transportation expenses to and from the sports agent's principal place of business, to induce an athlete to enter into an agreement by which the sports agent will represent the athlete;

(5) Prior to an athlete's last intercollegiate or high school contest, including post-season games, a sports agent may not:

(i) Enter into an agent contract or financial services contract with an athlete; or

(ii) Except as provided in subsections (c) and (d) of this section, contract or communicate with an athlete; or

(6) Enter into an agreement before the athlete's last intercollegiate or high school contest that purports to take effect at a time after that contest is completed.

(c) Exceptions. -- This subtitle does not prohibit a sports agent from sending written materials to an athlete regarding:

(1) The sports agent's professional credentials;

(2) Specific services offered by the sports agent regarding representation of the athlete in marketing the athlete's ability or reputation; or

(3) The provision of financial services by the sports agent to the athlete.

(d) Acts by athlete's parent, guardian, etc. -- This subtitle does not prohibit an athlete or an athlete's parent, legal guardian, or other advisor from contacting or interviewing a sports agent to determine the sports agent's professional ability to represent the athlete, market the athlete's ability or reputation, or provide financial services. (1988, ch. 695.)

#### **Section 637. Violations of subtitle.**

(a) Effects on contracts generally. -- A sports agent who violates any provision of this subtitle shall be subject to:

(1) Forfeiture of any right of repayment for anything of value received by an athlete as an inducement to enter into an agent contract or financial services contract, or received by an athlete before completion of the athlete's last intercollegiate or high school contest;

(2) A refund of any consideration paid to the sports agent on an athlete's behalf; and

(3) Reasonable attorney's fees and court costs incurred by an athlete recovering against a sports agent for a violation of this subtitle.

(b) Contracts voidable. -- Any agent contract or financial services contract that is negotiated by a sports agent who has failed to comply with this subtitle is voidable by the athlete. (1988, ch. 695.)

#### **Section 638. Records.**

(a) Maintenance. -- A licensed sports agent shall keep records in the manner required by this section and shall provide the Secretary with the information contained in the records on request.

(b) Contents generally. -- The records shall contain:

(1) The name and address of each athlete employing the sports agent, the amount of any fee received from the athlete, and the specific services performed on behalf of the athlete; and

(2) The travel and entertainment expenditures incurred by the sports agent, including food, beverages, maintenance of a hospitality room, sporting events, theatrical and musical events, and transportation, lodging, or other expenses incurred in connection with the entertainment.

(c) Description of expenditures. -- The records kept by the sports agent under this section must fully describe:

- (1) The nature of the expenditure;
- (2) The dollar amount of the expenditure;
- (3) The purpose of the expenditure;
- (4) The date and place of the expenditure; and
- (5) Each person on whose behalf the expenditure was made. (1988, ch. 695.)

**Section 639. Penalties.**

A person who knowingly or willfully violates any provision of this subtitle is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$10,000 or imprisonment not exceeding 1 year or both. (1988, ch. 695.)

**Section 640. Application of subtitle.**

This subtitle shall only apply to an agent contract or financial services contract that a sports agent enters into with an athlete:

- (1) Prior to the completion of the athlete's last intercollegiate or high school contest, including postseason games; or
- (2) During the first 12-month period after the completion of the athlete's last intercollegiate or high school contest, including postseason games. (1988, ch. 695.)

TITLE 09 DEPARTMENT OF LICENSING AND REGULATION

SUBTITLE 12 OFFICE OF THE SECRETARY

CHAPTER 07 LICENSING OF SPORTS AGENTS

Authority: Article 56, Section 633(g)  
Annotated Code of Maryland

.01 Schedule of Fees.

A. Original License -- Individual.....	\$1,000
B. Original License -- Corporation/Partnership.....	\$1,000
C. Renewal License -- Individual .....	\$1,000
D. Renewal License -- Corporation/Partnership.....	\$1,000

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